

SENATE BILL No. 336

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4.

Synopsis: High technology infrastructure. Provides that if a statute authorizes the department of commerce or the Indiana development finance authority to provide a grant, loan, or guarantee to a unit of local government or a private entity for infrastructure or capital projects, the grant, loan, or guarantee may also be used by the unit or entity for information and high technology infrastructure. Specifies that money provided for rural development projects, industrial development projects, the investment incentive program, the small business incubator program, the growth investment program, and local economic development organization grants may also be used for information and high technology infrastructure.

Effective: July 1, 2000.

Simpson

January 10, 2000, read first time and referred to Committee on Planning and Economic Development.



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Second Regular Session 111th General Assembly (2000)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1999 General Assembly.

SENATE BILL No. 336

A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-4-3-20.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2000]: **Sec. 20.5. Notwithstanding any other provision, if a statute**
4 **authorizes the department or the Indiana development finance**
5 **authority to provide a grant, loan, or guarantee to:**

6 (1) a unit of local government; or

7 (2) a private entity;

8 **for the purpose of constructing, acquiring, repairing, extending, or**
9 **completing infrastructure or a capital project, the grant, loan, or**
10 **guarantee may also be used by the unit of local government or**
11 **private entity for the purpose of constructing, acquiring, repairing,**
12 **extending, or completing information and high technology**
13 **infrastructure (as defined in IC 4-4-8-1).**

14 SECTION 2. IC 4-4-9-1 IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE JULY 1, 2000]: Sec. 1. As used in this chapter:

16 "Director" means the lieutenant governor, who is also the director
17 of the department of commerce.



"Qualified entity" means a city or town with a population of less than ten thousand (10,000) persons, a corporation established under IC 23-7-1.1 (before its repeal on August 1, 1991) or IC 23-17 for the purpose of distributing water for domestic and industrial use, a regional water, sewage, or solid waste district, or a conservancy district that includes in its purpose the distribution of domestic water or the collection and treatment of waste.

"Rural development program" means any program designed to aid the growth of rural areas in Indiana and includes:

- (1) the construction of airports, airport facilities, and tourist attractions;
- (2) the construction, extension, or completion of sewerlines, waterlines, streets, ~~and~~ sidewalks, **and information and high technology infrastructure (as defined in IC 4-4-8-1);**
- (3) the leasing or purchase of property, both real and personal; and
- (4) the preparation of surveys, plans, and specifications for the construction of publicly owned and operated facilities, utilities, and services.

SECTION 3. IC 4-4-10.9-11, AS AMENDED BY P.L.227-1999, SECTION 5, AND AS AMENDED BY P.L.273-1999, SECTION 194, IS AMENDED AND CORRECTED TO READ AS FOLLOWS: Sec. 11. (a) Except as provided in subsection (b), "industrial development project" includes:

- (1) the acquisition of land, site improvements, infrastructure improvements, **(including information and high technology infrastructure (as defined in IC 4-4-8-1))**, buildings, or structures, rehabilitation, renovation, and enlargement of buildings and structures, machinery, equipment, furnishings, or facilities (or any combination of these), comprising or being functionally related and subordinate to any project (whether manufacturing, commercial, agricultural, environmental, or otherwise) the development or expansion of which serves the public purposes set forth in IC 4-4-11-2;
- (2) educational facility projects; and
- (3) child care facility projects.

(b) For purposes of the industrial development guaranty fund program, "industrial development project" includes the acquisition of land, interests in land, site improvements, infrastructure improvements *(including information and high technology infrastructure (as defined in IC 4-4-8-1))*, buildings, or structures, rehabilitation, renovation, and enlargement of buildings and structures, machinery, equipment,



furnishings, or facilities (or any combination of these), comprising or being functionally related and subordinate to any of the following:

- (1) A pollution control facility.
- (2) A manufacturing enterprise.
- (3) A business service enterprise involved in:
 - (A) computer and data processing services; or
 - (B) commercial testing services.
- (4) A business enterprise the primary purpose of which is the operation of an education and permanent marketing center for manufacturers and distributors of robotic and flexible automation equipment.
- (5) Any other business enterprise, if the use of the guaranty program creates a reasonable probability that the effect on Indiana employment will be creation or retention of at least fifty (50) jobs.
- (6) An agricultural enterprise in which:
 - (A) the enterprise operates pursuant to a producer or growout agreement; and
 - (B) the output of the enterprise is processed predominantly in Indiana.
- (7) A business enterprise that is required by a state, federal, or local regulatory agency to make capital expenditures to remedy a violation of a state or federal law or a local ordinance.
- (8) A recycling market development project.
- (9) *A high growth company with high skilled jobs (as defined in IC 4-4-10.9-9.5).*

SECTION 4. IC 4-4-14-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 2. The department shall establish policies to carry out an investment incentive program, the purpose of which is to provide grants and loans to counties and municipalities that will, in turn, be lent to certain new or expanding businesses for construction or for the purchase of real or personal property **(including information and high technology infrastructure (as defined in IC 4-4-8-1))**.

SECTION 5. IC 4-4-14-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 6. (a) The repayment proceeds of a loan made from a grant under this chapter shall be used by the county or municipality for any economic or community development activity, including:

- (1) the making of loans to businesses; and
- (2) the construction or reconstruction of any street, sewer, or other capital improvement **(including information and high technology infrastructure (as defined in IC 4-4-8-1))** that will



1 promote economic development in the community or the
 2 repayment of bonds used to finance the construction or
 3 reconstruction;

4 however, all uses of repaid loan proceeds by a county or municipality
 5 under this chapter are subject to approval by the department.

6 (b) The department may not make a grant from state appropriated
 7 funds to a county or municipality under this chapter unless the county
 8 or municipality agrees to lend to the new or expanding business an
 9 amount greater than or equal to the state grant.

10 SECTION 6. IC 4-4-18-10 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 10. Grants and loans
 12 awarded or guaranteed under this chapter may be used only for the
 13 following purposes, when necessary for the creation and operation of
 14 an incubator:

- 15 (1) The acquisition and leasing of land and existing buildings.
- 16 (2) The construction or rehabilitation of buildings or other
 17 facilities.
- 18 (3) The purchase of equipment and furnishings.
- 19 (4) The payment of operating expenses of the incubator during the
 20 first twenty-four (24) months of its operation.

21 **(5) The construction or acquisition of information and high**
 22 **technology infrastructure (as defined in IC 4-4-8-1).**

23 SECTION 7. IC 4-4-20-5 IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2000]: Sec. 5. The department of commerce
 25 may make grants from the GRIP fund to businesses that apply for
 26 grants for projects that meet the following requirements:

- 27 (1) The project must be located or planned for location in a
 28 designated county.
- 29 (2) The project must create jobs in Indiana.
- 30 (3) The grant must be for one (1) or more of the following
 31 purposes:
 - 32 (A) Modernization of capital investments.
 - 33 (B) New business formation, including small business
 34 development.
 - 35 (C) Purchase of new technology, including patents and
 36 licenses.
 - 37 (D) Industrial land assemblage for use in the project.
 - 38 (E) Infrastructure projects **(including information and high**
 39 **technology infrastructure (as defined in IC 4-4-8-1))**
 40 directly assisting the project.
 - 41 (F) Training programs in Indiana.
- 42 (4) The project must be related to the construction, expansion, or

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renovation of facilities for manufacturing, warehousing, distribution of, or processing of goods or of facilities for commercial activities except for any of the following commercial activities:

- (A) Private or commercial golf course.
- (B) Country club.
- (C) Massage parlor.
- (D) Tennis club.
- (E) Skating facility (including roller skating, skateboarding, or ice skating).
- (F) Racquet sports facility (including any handball or racquetball court).
- (G) Hot tub facility.
- (H) Suntan facility.
- (I) Racetrack.
- (J) Any facility the primary purpose of which is:
 - (i) retail food and beverage service;
 - (ii) automobile sales or service; or
 - (iii) the provision of recreation or entertainment.
- (K) Any other facility that is in the 1972 edition of the Standard Industrial Classification Manual of the United States Office of Management and Budget and is classified as belonging in any of the following:
 - (i) Division G) Retail Trade.
 - (ii) Division H) Finance, Insurance, and Real Estate.
 - (iii) Division I) Services.

Notwithstanding clause (K), a grant may be made for a project related to facilities for computer and data processing services, research and development laboratories, commercial testing laboratories, motion picture production and services, or health services.

SECTION 8. IC 4-4-24-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 6. (a) The department may provide a grant under the program to an organization to assist in the operation of the organization. The grant may be used by the organization only to pay for the following expenses:

- (1) Employee salaries.
- (2) Office and other facilities.
- (3) Professional services provided under contract to the organization.
- (4) A strategic plan of economic development for any of the areas served by the organization.



- 1 (5) Other similar administrative expenses of the organization.
2 (6) Expenses related to the development of specialized training
3 programs that benefit economic development initiatives.
4 (7) Expenses incurred in research and development projects
5 related to economic development initiatives.
6 **(8) The construction or acquisition of information and high**
7 **technology infrastructure (as defined in IC 4-4-8-1).**
8 (b) A grant under this chapter may not be used by the organization
9 to provide direct financial assistance to a business or specific
10 development project.

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